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IMMIGRATION LINKED TO REAL ESTATE INVESTMENT AND RETIREMENT IN KENYA

Executive Summary

Kenya has emerged as a leading destination for real estate-driven residence, retirement migration and ordinary relocation, particularly among foreign investors, retirees, diaspora families and East African Community (EAC) nationals.

In practice, three immigration pathways dominate this space:

- Class G – for investors and real estate-linked commercial activity.
- Class K – for retirees and financially self-sufficient ordinary residents.
- Class R – for EAC nationals seeking residence, work or business mobility.
- Class B – for agricultural investors engaging in farming or animal husbandry.

While real estate acquisition and agricultural investment often anchor long-term presence in Kenya, property ownership alone does not confer immigration rights.

Lawful residence must be deliberately structured using the correct permit category, aligned with the individual's economic activity, lifestyle objectives and tax exposure.

This Regulatory Alert provides a comparative and practical guide to the strategic use of Class G, Class B, Class K and Class R permits in the context of real estate investment, retirement planning and long-term residence, with particular relevance to Nyali (Mombasa), Diani, Watamu, Malindi, Naivasha and Nanyuki.

1.Regulatory Context

Kenyan law draws a clear distinction between:

- Immigration status under the Kenya Citizenship and Immigration Act, 2011; and
- Property ownership under the Constitution of Kenya and land legislation.

Foreign nationals may acquire qualifying interests in property, but must separately regularise their residence status.

Misalignment between immigration classification, physical presence and economic activity remains a key compliance risk.

2.Core Residence Pathways Linked to Real Estate

A. Class G – Investor Residence Permit

Class G is the primary pathway for real estate-driven investors where property forms part of an active, income-generating or development strategy. Typical applications include:

- Hospitality assets, serviced apartments and resorts.
- Rental property portfolios and mixed-use developments.
- Development projects held through corporate or joint-venture vehicles.

Class G permits active management and business oversight and is appropriate where real estate constitutes a commercial enterprise.

Applicants must demonstrate investment capital of at least USD 100,000 and the ability to generate economic benefit within Kenya.

Class B Work - Agricultural Investor Permit

Class B permits are issued to foreign nationals intending to engage, whether alone or in partnership, in the business of agriculture or animal husbandry in Kenya.

This permit category is particularly relevant where investors acquire agricultural land, ranches, horticultural farms, floriculture enterprises or agri-tourism developments.

Typical qualifying activities include large-scale farming operations, horticulture and floriculture farms, ranching and livestock operations, agro-processing facilities, agricultural estates and eco-tourism farms and such related farming operations.

Applicants must demonstrate:

1. Investment capital of at least USD 100,000
2. Ownership, leasehold rights or lawful access to agricultural land.
3. A viable agricultural or agribusiness investment plan.

Class K – Retirement and Ordinary Residence Permit

Class K is Kenya's principal retirement and ordinary residence permit, designed for financially self-sufficient individuals who do not intend to work, engage in employment or operate a business in Kenya.

It is commonly used by retirees and ordinary residents acquiring homes in:

- Nyali and the wider Mombasa Coast
- Diani, Watamu and Malindi
- Naivasha and Nanyuki

It also enables former diplomats or international officials who upon completion of their assignments wish to reside in Kenya on a long-term basis.

Class K supports long-term residence, second-home ownership and semi-residence, but does not permit employment or active business management.

Class R – EAC Nationals (Regional Mobility Residence)

Class R is a fee-free residence and work permit available exclusively to EAC nationals.

It offers flexibility where:

- Regional mobility and family relocation are key considerations.
- EAC investors intend to establish or participate in investments in Kenya, including in the real estate sector, subject to compliance with applicable regulatory requirements.

Class R therefore enables EAC nationals to reside, work and undertake business activities in Kenya, including property-related investments, while benefiting from regional integration arrangements.

However, Class R permit holders remain subject to Kenyan tax laws, regulatory requirements and ongoing immigration compliance obligations.

3.Comparative Snapshot

R	Class G	Class K	Class R	Class B
Target profile	Investors	Retirees & Ordinary residents	EAC nationals	Agricultural Investors
Employment allowed	Yes (self-employment or employing other)	No	Yes	Yes (self-employment or employing others)
Active business	Yes	No	Yes	Yes
Property ownership	Yes	Yes	Yes	Yes
Retirement suitability	Limited	Primary permit	Possible	Limited
Regional mobility	No	No	Yes	No

4.Key Compliance Considerations

Risk commonly arises where:

- Passive ownership evolves into active commercial or agricultural business activity.
- Immigration status does not reflect actual conduct.
- Extended residence triggers unintended tax residency.
- Property-holding structures or agricultural investment vehicles are misaligned with permit conditions.

Early and correct classification is therefore essential.

However, Class R permit holders remain subject to Kenyan tax laws, regulatory requirements and ongoing immigration compliance obligations.

5.Tax, Wealth and Succession Implications.

Extended residence linked to real estate or agricultural investment may trigger:

- Kenyan tax residency exposure.
- Taxation of rental income, pensions and capital gains.
- Estate and succession planning for Kenyan immovable property.

Immigration planning should therefore be integrated with tax structuring, wealth planning and estate governance, particularly for retirees and family investors.

6.Integrated Advisory Model

This Regulatory Alert is issued jointly by CM Advocates LLP's Immigration Law & Global Mobility Practice, Private Client & Real Estate Unit, Tax & International Business Advisory (TIBA), and the WELL Practice (Wealth, Estate, Legacy & Lifestyle), delivering one-firm, end-to-end advisory on residence structuring, real estate investment, tax, wealth and succession planning for investors, retirees and regional residents.

Key Takeaways

- Real estate or agricultural investment must be paired with the correct residence permit
- Class B, Class G, Class K and Class R serve distinct legal and lifestyle objectives
- Retirement residence is best anchored under Class K
- Active real estate investment belongs under Class G
- EAC nationals benefit uniquely from Class R
- Agricultural investment is structured under Class B
- Integrated legal, tax and wealth planning is critical

Contact Us

Immigration Law & Global Mobility Practice
E: immigration@cmadvocates.com

Head Office – Nairobi, Kenya
I&M Bank House, 7th Floor, 2nd Ngong Avenue
E: law@cmadvocates.com

Mombasa & Nyali Offices – Kenya
Links Plaza, 4th Floor, Links Road, Nyali
E: mombasaoffice@cmadvocates.com

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